

NEWS RELEASE

FOR RELEASE: December 10, 2012

Lou Ann Murphy & Company, P.L.L.C., of Osage today released an audit report on the City of Williamsburg, Iowa.

The City's receipts totaled \$9,834,045 for the year ended June 30, 2012, a 50 percent increase from the prior year. The receipts included \$4,670,922 from bond proceeds, \$1,922,728 from tax increment financing, \$1,111,357 from charges for services, \$1,020,697 in property tax, \$428,252 from local option sales tax, \$368,715 from operating grants, contributions and restricted interest, \$197,403 from capital grants, contributions and restricted interest, \$39,416 from unrestricted interest on investments, \$74,555 from other general receipts.

Disbursements for the year totaled \$8,673,253 an 11 percent increase from the prior year, and included \$4,597,964 for debt service, \$1,469,021 for capital projects, and \$729,557 for culture and recreation. Also, disbursements for business type activities totaled \$688,367.

The significant increase in receipts is due primarily to refinancing of bonds.

A copy of the report is available for review in the City Clerk's Office, in the Office of Auditor of State and on the Auditor of State's web site at:
<http://auditor.iowa.gov/reports/reports.html>.

CITY OF WILLIAMSBURG
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2012

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Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2012)		
Frank Murphy	Mayor	Jan 2012
Don Kirkpatrick	Mayor Pro Tem	Jan 2012
Theresa Phillips	Council Member	Jan 2012
Adam Grier	Council Member	Jan 2012
Marty Bunge	Council Member	Jan 2014
Pat McGovern	Council Member	Jan 2014
Jenifer Mein	Clerk /Treasurer	Appointed
Eric Tindal	Attorney	Appointed

(After January 2012)

Frank Murphy	Mayor	Jan 2014
Don Kirkpatrick	Mayor Pro Tem	Jan 2016
Pat McGovern	Council Member	Jan 2014
Adam Grier	Council Member	Jan 2016
Marty Bunge	Council Member	Jan 2014
Dave Kubas	Council Member	Jan 2016
Jenifer Mein	Clerk /Treasurer	Appointed
Eric Tindal	Attorney	Appointed

City of Williamsburg

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Williamsburg's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg as of June 30, 2012, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2012 on our consideration of the City of Williamsburg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Williamsburg's basic financial statements. The financial statements for the six years ending June 30, 2009 (which are not presented herein), were audited by other auditors whose reports expressed unqualified opinions on financial statements from 2004-2006 and qualified opinions on financial statements from 2007-2009, which were prepared in conformity with an other comprehensive basis of accounting. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2011 (which are not presented herein), and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. The supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Williamsburg's basic financial statements. Budgetary comparison information on pages 20 through 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The City has not presented Management's Discussion and Analysis which introduces the basic financial statements by presenting certain financial information as well as management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



Lou Ann Murphy & Company, P. L. L. C.
Certified Public Accountants
Osage, Iowa
November 14, 2012

Primary Government Financial Statements

City of Williamsburg
Statement of Activities and Net Assets – Cash Basis
As of and for the year ended June 30, 2012

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions / Programs:				
Governmental activities:				
Public safety	\$ 642,713	8,971	6,160	-
Public works	348,373	1,925	291,003	-
Health & Social Services	1,200	-	-	-
Culture and recreation	729,557	259,748	29,704	-
Community and economic development	18,312	-	-	-
General government	177,746	24,527	-	-
Debt service	4,597,964	-	-	-
Capital projects	1,469,021	-	-	197,403
Total governmental activities	7,984,886	295,171	326,867	197,403
Business type activities:				
Water	\$ 317,772	367,535	-	-
Sewer	332,035	448,651	-	-
Child Development Center	38,560	-	41,848	-
Total business type activities	\$ 688,367	816,186	41,848	-
Component Unit:				
Library Foundation	\$ 91,597	-	21,118	-
Total Component Unit	\$ 91,597	-	21,118	-
Total	\$ 8,764,850	1,111,357	389,833	197,403
General Receipts:				
Property tax and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Grants and contributions not restricted to specific purposes				
Unrestricted interest on investments				
Bond Proceeds				
Miscellaneous				
Transfers				
Total general receipts and transfers				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
Cash Basis Net Assets				
Restricted:				
Nonexpendable:				
Thelma Wyman Memorial				
Expendable:				
Streets				
Urban renewal purposes				
Debt service				
Other purposes				
Unrestricted				
Total cash basis net assets				

See notes to financial statements.

Exhibit A

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets			Aggregate Discretely Presented Component Unit
Governmental Activities	Business Type Activities	Total	
(627,582)	-	(627,582)	-
(55,445)	-	(55,445)	-
(1,200)	-	(1,200)	-
(440,105)	-	(440,105)	-
(18,312)	-	(18,312)	-
(153,219)	-	(153,219)	-
(4,597,964)	-	(4,597,964)	-
(1,271,618)	-	(1,271,618)	-
(7,165,445)	-	(7,165,445)	-
-	49,763	49,763	-
-	116,616	116,616	-
-	3,288	3,288	-
-	169,667	169,667	-
-	-	-	(70,479)
-	-	-	(70,479)
(7,165,445)	169,667	(6,995,778)	(70,479)
968,789	-	968,789	-
51,908	-	51,908	-
1,922,728	-	1,922,728	-
428,252	-	428,252	-
10,842	-	10,842	-
36,871	2,545	39,416	-
4,670,922	-	4,670,922	-
63,713	-	63,713	-
22,906	(22,906)	-	-
8,176,931	(20,361)	8,156,570	-
1,011,486	149,306	1,160,792	(70,479)
4,848,105	478,635	5,326,740	217,292
\$ 5,859,591	627,941	6,487,532	146,813
\$ 505		505	
\$ 98,410	-	98,410	-
540,800	-	540,800	-
387,577	65,164	452,741	-
134,444	8,438	142,882	-
4,697,855	554,339	5,252,194	146,813
\$ 5,859,591	627,941	6,487,532	146,813

City of Williamsburg
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Governmental Funds
As of and for the year ended June 30, 2012

		Special Revenue		
	General	Road Use Tax	Tax Increment Financing	Debt Service
Receipts:				
Property tax	\$ 540,399	\$ -	\$ -	\$ 50,967
Tax increment financing	-	-	1,922,728	-
Other city tax	170,666	-	-	942
Licenses and permits	13,679	-	-	-
Use of money and property	94,400	-	2,054	3,103
Intergovernmental	22,541	291,003	-	-
Charges for service	212,070	-	-	-
Special assessments	-	-	-	-
Miscellaneous	88,369	-	-	-
Total receipts	<u>1,142,124</u>	<u>291,003</u>	<u>1,924,782</u>	<u>55,012</u>
Disbursements:				
Operating:				
Public safety	642,713	-	-	-
Public works	136,668	211,705	-	-
Health & Social Services	1,200	-	-	-
Culture and recreation	729,557	-	-	-
Community and economic development	18,312	-	-	-
General government	177,746	-	-	-
Debt service	-	-	-	4,597,964
Capital projects	-	-	-	-
Total disbursements	<u>1,706,196</u>	<u>211,705</u>	<u>-</u>	<u>4,597,964</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(564,072)</u>	<u>79,298</u>	<u>1,924,782</u>	<u>(4,542,952)</u>
Other financing sources (uses):				
Note Proceeds	\$ -	\$ -	\$ -	\$ 3,185,922
Operating transfers in	919,725	-	-	1,455,900
Operating transfers out	(65,159)	(27,385)	(1,702,835)	-
Total other financing sources (uses)	<u>854,566</u>	<u>(27,385)</u>	<u>(1,702,835)</u>	<u>4,641,822</u>
Net change in cash balances	290,494	51,913	221,947	98,870
Cash balances beginning of year	<u>2,310,731</u>	<u>46,497</u>	<u>318,853</u>	<u>288,707</u>
Cash balances end of year	<u>\$ 2,601,225</u>	<u>98,410</u>	<u>540,800</u>	<u>387,577</u>
Cash Basis Fund Balances				
Nonspendable - Thelma Wyman Memorial	\$ -	-	-	-
Restricted for:				
Urban renewal purposes	-	-	540,800	-
Debt service	-	-	-	387,577
Streets	-	98,410	-	-
Other Purposes	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for:				
Library	4,905	-	-	-
Historical Commission	3,071	-	-	-
Unassigned	2,593,249	-	-	-
Total cash basis fund balances	<u>\$ 2,601,225</u>	<u>98,410</u>	<u>540,800</u>	<u>387,577</u>

See notes to financial statements.

Exhibit B

Capital Projects	Nonmajor	Total
44,863	204,105	840,334
-	-	1,922,728
1,576	435,432	608,616
-	-	13,679
6,017	227	105,801
157,500	-	471,044
-	-	212,070
-	-	-
39,903	-	128,272
249,859	639,764	4,302,544
-	-	642,713
-	-	348,373
-	-	1,200
-	-	729,557
-	-	18,312
-	-	177,746
-	-	4,597,964
1,469,021	-	1,469,021
1,469,021	-	7,984,886
(1,219,162)	639,764	(3,682,342)
1,485,000	-	4,670,922
-	-	2,375,625
-	(557,340)	(2,352,719)
1,485,000	(557,340)	4,693,828
265,838	82,424	1,011,486
1,830,792	52,525	4,848,105
2,096,630	134,949	5,859,591
-	505	505
-	-	540,800
-	-	387,577
-	-	98,410
-	134,444	134,444
2,096,630	-	2,096,630
-	-	-
-	-	4,905
-	-	3,071
-	-	2,593,249
2,096,630	134,949	5,859,591

City of Williamsburg

City of Williamsburg

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2012

	Enterprise Funds			
	Water	Sewer	Child Care Facility	Total
Operating receipts:				
Charges for service	\$ 336,588	\$ 444,081	\$ -	\$ 780,669
Operating disbursements:				
Business type activities	317,772	259,120	-	576,892
Excess (deficiency) of operating receipts over (under) operating disbursements	18,816	184,961	-	203,777
Non-operating receipts (disbursements):				
Use of Money & Property	345	2,092	103	2,540
Miscellaneous	30,948	4,575	41,847	77,370
Debt Service	-	(72,915)	(38,560)	(111,475)
Net non-operating receipts (disbursements)	31,293	(66,248)	3,390	(31,565)
Excess (deficiency) of receipts over (under) disbursements	50,109	118,713	3,390	172,212
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(10,000)	(12,906)	-	(22,906)
Total other financings sources (uses)	(10,000)	(12,906)	-	(22,906)
Net change in cash balances	40,109	105,807	3,390	149,306
Cash balances beginning of year	73,910	399,677	5,048	478,635
Cash balances end of year	\$ 114,019	\$ 505,484	\$ 8,438	\$ 627,941
Cash Basis Fund Balances				
Restricted for debt service	\$ -	\$ 65,164	\$ 8,438	\$ 73,602
Unrestricted	114,019	440,320	-	554,339
Total cash basis fund balances	\$ 114,019	\$ 505,484	\$ 8,438	\$ 627,941

See notes to financial statements.

City of Williamsburg

City of Williamsburg

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

The City of Williamsburg is a political subdivision of the State of Iowa located in Iowa County. It was first incorporated in 1885 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Williamsburg has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements include the City of Williamsburg (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Unit

The Williamsburg Library Foundation, Inc. is presented in a separate column to emphasize that it is a separate entity, but is financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The Williamsburg Library Foundation, Inc. is a non-profit organization created for the sole purpose of raising funds to support the Williamsburg Library. Most revenues are generated from private donations given by individuals and businesses in the area.

Williamsburg Fire Fighters Association, which is incorporated under Chapter 504A of the Code of Iowa, is a component unit because it has the potential to provide benefits to the City of Williamsburg Fire Department. The association is in the process of changing the entity type, and it is the intent that the 501(c)3 process be completed during the next fiscal year. The Fire Fighters Association Board of Directors is, in appearance, essentially the same as the Williamsburg Fire Department. Condensed financial statements for the year ended December 31, 2011 presented in Note 18 were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Unaudited financial statements may be obtained from 102 Fire Ridge Road, Williamsburg, Iowa 52361.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no known ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Iowa County Assessor's Conference Board, Iowa County Joint E911 Service Board, and Regional Environmental Improvement Commission.

Related Organization

The Friends of the Williamsburg Library is an organization separate from the City. The Friends has been created for the sole purpose of raising funds to support the Williamsburg Library but is not financially accountable to the City.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in the following categories/components:

Nonexpendable restricted net assets are subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City's Permanent Fund.

Expendable restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Tax Increment Financing Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

The Enterprise, Child Care Facility Fund accounts for the operation and maintenance of the Child Care Facility.

C. Measurement Focus and Basis of Accounting

The City of Williamsburg maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City of Williamsburg funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned, and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2012, disbursements exceeded the amount budgeted in debt service.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Bonds and Notes Payable

Annual debt service requirements to maturity for general obligation notes and revenue bonds are as follows:

Year Ending June 30,	General Obligation Notes		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	1,075,000	221,636	59,482	60,711	1,134,482	282,347
2014	1,370,000	193,043	60,942	58,811	1,430,942	251,854
2015	770,000	169,120	63,420	56,863	833,420	225,983
2016	655,000	149,355	64,917	54,836	719,917	204,191
2017	610,000	132,895	67,434	52,741	677,434	185,636
2018-2022	2,295,000	412,210	371,685	229,959	2,666,685	642,169
2023-2027	1,050,000	141,183	293,102	168,392	1,343,102	309,575
2028-2032	305,000	31,643	112,081	136,234	417,081	167,877
2033-2037			134,589	111,954	134,589	111,954
2038-2042			155,775	83,665	155,775	83,665
2043-2047			189,524	49,916	189,524	49,916
2048-2052			132,893	10,770	132,893	10,770
Total	8,130,000	1,451,085	1,705,844	1,074,852	9,835,844	2,525,937

The Code of Iowa requires principal and interest on general obligation bonds be paid from the Debt Service Fund.

Revenue Bonds

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$1,050,000 in sewer revenue bonds issued in June, 2005. Proceeds from the bonds provided financing for the construction of improvements to the sewer treatment system. The bonds are payable solely from sewer customer net receipts and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 58 percent of the net receipts. The total principal and interest remaining to be paid on the bonds is \$918,352. For the current year, principal and interest paid and total customer net receipts were \$70,940 and \$191,628, respectively.

The City has pledged future child care facility customer receipts, net of operating disbursements, to repay \$964,000 in child care facility enterprise revenue notes 1 and 2 issued in July, 2010. Proceeds from the notes provided financing for the acquisition of land and construction, furnishing and equipping of a child care center. The notes are payable solely from child care customer net receipts and are payable through 2050. Annual principal and interest payments on the notes are expected to require 88 percent of the net receipts. The total principal and interest remaining to be paid on the notes is \$1,862,344. For the current year, principal and interest paid and total customer net receipts were \$38,268 and \$41,950, respectively.

The resolutions providing for the issuance of the revenue bonds include the following provisions.

- The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- Sufficient monthly transfers shall be made to the separate sewer and child care facility revenue bond sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.

- c. There shall be a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the net revenues remaining after first making the required payments in the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Funds whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and Parity Obligations.
- d. For the child care facility, there shall be a reserve fund established for 10 percent of each payment up to a maximum of the largest payment.
- e. As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the Council, or such other duly constituted body as may then be charged with the operation on the utility, may from time to time direct.
- f. The providers of the child care facility have established a depreciation fund to be used for repairs and maintenance over the life of the loan.

Due to the substantial decrease in interest rates from 3.75%-4.50% to 2.00%-3.50% the City called the General Obligation Corporate Purpose Bonds dated May 1, 2006 with a balance of \$1,985,000 and the Fire Station Lease Purchase with a balance of \$1,100,000 and refunded on July 1, 2011 with a General Obligation Refunding Bond, Series, 2011 with a balance of \$3,245,000 providing a net present value savings of \$100,695.

(4) Lease Purchase Agreement

On June 1, 2006, the City entered into a lease purchase agreement to purchase the fire station for \$2,300,000. The lease purchase agreement bears interest at an average rate of 4.3% and matures June 1, 2017. The General Obligation Refunding Bond, Series, 2011 paid it off with principal and interest paid during fiscal year 2012 totaling \$1,146,520.

On March 30, 2010 the City entered into a lease purchase agreement to purchase two new police vehicles for \$47,647. The lease purchase agreement bears interest at an average rate of 5.5 % and matures April 29, 2014. Principal and interest paid during fiscal year 2012 totaled \$10,621.

The remaining annual lease purchase payments are as follows:

Year Ending June 30,	Lease Purchase	
	Principal	Interest
2013	9,544	1,076
2014	10,068	553
Total	19,612	1,629

(5) Pension and Retirement Benefits

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.38% of their annual covered salary and the City is required to contribute 8.07% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2012, 2011, and 2010 were \$75,326, \$67,431, \$64,257, respectively, equal to the required contributions for each year.

(6) Other Postemployment Benefits (OPEB)

Plan Description -The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are sixteen active and zero retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member's monthly premiums for the City and plan members are \$596 for single coverage and \$1,498 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2012, the City contributed \$236,131 and plan members eligible for benefits contributed \$0 to the plan.

(7) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and compensatory termination payments payable to employees at June 30, 2012, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation	\$58,191
Compensatory	<u>12,850</u>
Total	<u>\$71,041</u>

This liability has been computed based on rates of pay in effect at June 30, 2012.

City employees also accumulate a limited amount of earned but unused sick leave hours, personal time, and holiday pay for subsequent use. However, sick leave time, personal time, and holiday time is canceled if an employee leaves his or her employment with the City.

(8) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 350,000
	Employee Benefits	207,340
	Tax Increment Financing	325,000
	Road Use	27,385
	Enterprise:	
	Water	5,000
	Sewer	5,000
		<u>\$ 919,725</u>
Debt Service	Special Revenue:	
	Tax Increment Financing	\$ 1,377,835
	General Fund	65,159
	Enterprise:	
	Water	5,000
	Sewer	7,906
		<u>\$ 1,455,900</u>
Total		<u>\$ 2,375,625</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(9) Economic Development

On November 28, 2011 the City entered into a Development Agreement with WLW Ltd. Partnership, in which the City agrees to make economic development tax rebate payments to WLW Ltd. Partnership, pursuant to Chapter 15A and 403 of the Code of Iowa, an amount which represents 50% of the property taxes paid with respect to the incremental property valuation of the construction project to construct a facility for WLW Ltd. Partnership not to exceed the amount of \$450,000. The tax rebate payments shall not constitute general obligations of the City, but shall be paid solely and only from incremental property taxes received by the City from the County Treasurer which are attributable to the construction project.

(10) Thelma Wyman Memorial

During August of 1991, the family of Thelma Wyman contributed \$500 to be put into an interest bearing account, the principal of which is to remain intact and cannot be withdrawn for any reason. One percent of the yearly interest shall be added to and become part of the principal. The remaining interest from this account is paid to Williamsburg Public Library to be used as the Library Board deems necessary in order to maintain the library.

(11) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Regional Environmental Improvement Commission

The City, in conjunction with all other municipalities in Iowa County, has created the Regional Environmental Improvement Commission. The Commission was established for the primary purpose of providing for the collection and disposal of solid waste produced or generated by each participant. On dissolution of the corporation, the net assets of the Commission will be prorated among the municipalities. The Commission is governed by a board composed of an elected representative of the governing body of each participating governmental jurisdiction.

During the year ended June 30, 2012, the City of Williamsburg paid Cox Sanitation \$94,716. The sanitation company is then responsible for paying all landfill fees for the City's share of the cost. Completed financial statements for the Commission can be obtained from the Regional Environmental Improvement Commission.

(13) Boyd Monies

Walter C. Boyd left the balance of his estate to the town of Williamsburg, Iowa, to be used as the City sees fit. The City Council set up a separate account in the General Fund to track this money and show the citizens where the money is being spent.

(14) Conduit Debt Obligation

On February 15, 2005, Assisted Living Facility Revenue Refunding Bonds in the amount of \$10,000,000 were issued. These revenue bonds were issued for the purpose of refunding two previous issuances of Revenue Bonds (Series 2002 Bonds and Series 2003 Bonds) which financed the cost of construction of the Williamsburg Retirement Community, Inc. Project.

On November 13, 2006, Nursing and Independent Living Facilities Revenue Bonds (Williamsburg Retirement Community, Inc. Project) in the amount not to exceed \$7,000,000 were issued to finance the costs of construction and furnishing a 44 bed skilled nursing facility and 8 independent living units.

These bonds are a special limited obligation of the City and shall not be payable from or charged upon any funds other than Loan Repayments made by the Williamsburg Retirement Community, Inc. The bonds do not constitute a debt of the City within any constitutional or statutory limitation.

(15) Related Party Transactions

The City had business transactions between City and City officials totaling \$1,097 during the year ended June 30, 2012.

(16) Commitments

As of June 30, 2012, the City had the following commitments with respect to the following projects:

	Remaining <u>Commitment</u>	Expected Date <u>of Completion</u>
Library	\$ 5,000	December 2012
Library Engineering	3,731	December 2012
2012 Williamsburg Street Reconstruction	606,540	October 2012
Total	<u>\$ 615,271</u>	

(17) Management and Use Agreement

Due to the importance of affordable childcare the City constructed a daycare facility and signed a management agreement with Williamsburg Community Childcare Center and K.I.N.D Care to operate and maintain the child care facility. A lease purchase has been signed based on the total cost of the building.

The remaining annual debt payments are as follows:

Year Ending June 30	USDA Child Care Facility Enterprise Rev Note 1 & 2	
	Principal	Interest
2013	11,482	38,181
2014	11,942	37,721
2015	12,420	37,243
2016	12,917	36,746
2017	13,434	36,229
2018-2022	75,685	172,629
2023-2027	92,102	156,212
2028-2032	112,081	136,233
2033-2037	134,589	111,954
2038-2042	155,775	83,665
2043-2047	189,524	49,916
2048-2051	132,893	10,771
Total	954,844	907,500

The City maintains the right to repurchase the land if either childcare providers decide to sell the childcare facility.

(18) The Williamsburg Firefighters Association

The Williamsburg Firefighters Association provides benefits to the City of Williamsburg Fire Department. The Association reports its financial activity using a calendar year end. As permitted by GASB Statement No. 34, the City has opted to present condensed financial information for its discretely presented component unit. Following is the unaudited condensed financial information for the Williamsburg Firefighters Association for the year ended December 31, 2011.

	W illiamsburg Firefighters Association
Receipts:	
Miscellaneous	\$ 53,163
Total receipts	53,163
Disbursements:	
Public safety	57,453
Total disbursements	57,453
Excess of receipts over disbursements	(4,290)
Cash balance beginning of year	28,767
Cash balance end of year	\$ 24,477

(19) Leases

The City leases property to the school under an operating lease requiring payments of \$25,000 on November 11, 2011 and April 15, 2012. The lease is for July 1, 2011 to June 30, 2012. Total lease payments received for the year ended June 30, 2012 are \$50,000.

(20) Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 17, 2012.

The City sold the Old Library Building located at 214 W State Street on August 13, 2012 at a public auction. The city followed all procedures and publications required to sell property at public auction.

City of Williamsburg

Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances -
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2012

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 840,334	-	-
Tax increment financing	1,922,728	-	-
Other city tax	608,616	-	-
Licenses and permits	13,679	-	-
Use of money and property	105,801	2,540	2
Intergovernmental	471,044	-	-
Charges for service	212,070	780,669	-
Miscellaneous	128,272	77,370	-
Total receipts	4,302,544	860,579	2
Disbursements:			
Public safety	642,713	-	-
Public works	348,373	-	-
Health and social services	1,200	-	-
Culture and recreation	729,557	-	-
Community and economic development	18,312	-	-
General government	177,746	-	-
Debt service	4,597,964	-	-
Capital projects	1,469,021	-	-
Business type activities	-	688,367	-
Total disbursements	7,984,886	688,367	-
Excess (deficiency) of receipts over (under) disbursements	(3,682,342)	172,212	2
Other financing sources (uses), net	4,693,828	(22,906)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,011,486	149,306	2
Balances beginning of year	4,848,105	478,635	-
Balances end of year	\$ 5,859,591	627,941	2

See accompanying Independent Auditor's Report.

Total	Budgeted Amounts		Final to
	Original	Final	Total Variance
840,334	823,690	823,690	16,644
1,922,728	1,800,000	1,950,000	(27,272)
608,616	449,469	529,902	78,714
13,679	9,275	11,775	1,904
108,339	140,957	142,107	(33,768)
471,044	435,191	461,230	9,814
992,739	916,153	994,153	(1,414)
205,642	130,216	182,473	23,169
5,163,121	4,704,951	5,095,330	67,791
642,713	636,195	660,695	17,982
348,373	401,014	395,014	46,641
1,200	1,200	1,200	-
729,557	852,227	883,131	153,574
18,312	65,060	65,060	46,748
177,746	184,710	186,136	8,390
4,597,964	1,817,624	1,817,624	(2,780,340)
1,469,021	1,143,000	1,785,213	316,192
688,367	691,052	691,052	2,685
8,673,253	5,792,082	6,485,125	(2,188,128)
(3,510,132)	(1,087,131)	(1,389,795)	(2,120,337)
4,670,922	-	1,447,178	3,223,744
1,160,790	(1,087,131)	57,383	1,103,407
5,326,740	5,326,733	5,326,733	7
6,487,530	4,239,602	5,384,116	1,103,414

Other Information

City of Williamsburg

Notes to Other Information – Budgetary Reporting

June 30, 2012

The budgetary comparison is presented in accordance with Governmental Accounting Standards Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Fiduciary Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, two budget amendments increased budgeted receipts by \$390,379 and disbursements by \$693,043. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2012, disbursements exceeded the amount budgeted in debt service.

Supplementary Information

City of Williamsburg

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2012

	Special Revenue		Permanent	
	Local		Thelma	
	Option		Wyman	
	Sales	Employee	Memorial	Total
	Tax	Benefits		
Receipts:				
Property tax	\$ -	\$ 204,105	\$ -	\$ 204,105
Tax Increment Financing Collections	-	-	-	-
Other City Tax	428,252	7,180	-	435,432
License and Permits	-	-	-	-
Use of Money & Property	225	-	2	227
Intergovernmental	-	-	-	-
Charges for Service	-	-	-	-
Special Assessments	-	-	-	-
Miscellaneous	-	-	-	-
Total receipts	428,477	211,285	2	639,764
Disbursements:				
Operating				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health & Social Services	-	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total disbursements	-	-	-	-
Excess (deficiency) of receipts over (under) disbursements	428,477	211,285	2	639,764
Other financing sources (uses):				
Debt Proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(350,000)	(207,340)	-	(557,340)
Total other financing sources (uses)	(350,000)	(207,340)	-	(557,340)
Net change in cash balances	78,477	3,945	2	82,424
Cash balances beginning of year	51,524	21	980	52,525
Cash balances end of year	\$ 130,001	\$ 3,966	\$ 982	\$ 134,949
Cash Basis Fund Balances				
Nonspendable - Thelma Wyman Memorial	\$ -	\$ -	\$ 505	\$ 505
Restricted for other purposes	130,001	3,966	477	134,444
Total cash basis fund balances	\$ 130,001	\$ 3,966	\$ 982	\$ 134,949

See accompanying Independent Auditor's Report.

City of Williamsburg
Schedule of Indebtedness
Year ended June 30, 2012

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation bonds:			
Corporate purpose - street, water, & sewer improvement	7/1/2005	3.50-3.63%	\$ 1,400,000
Corporate purpose - street, water, & sewer improvement	5/1/2006	3.75-4.50%	2,660,000
Corporate purpose - capital projects	4/1/2008	2.50-4.10%	1,000,000
Corporate purpose - street, water, & sewer series 2009A	4/1/2009	3.50%	750,000
Corporate purpose - street, water, & sewer series 2009B	4/1/2009	3.5-4.20%	1,675,000
Urban renewal bonds - library	4/1/2010	2.25-3.50%	2,500,000
Refunding bond, series 2011	7/1/2011	2.00-3.50%	32,700
Corporate Purpose	6/11/2012	2.45-3.45%	1,500,000
Total			
Revenue bonds:			
Sewer Revenue Bonds	6/13/2005	3.00%	\$ 1,050,000
USDA Childcare facility enterprise revenue note 1	7/1/2010	4.00%	928,000
USDA Childcare facility enterprise revenue note 2	7/1/2010	4.00%	36,000
Total			
Lease Purchase			
Fire Station lease purchase	6/1/2006	4.25-4.35%	\$ 2,300,000
Police Cars	3/30/2010	5.34-5.42%	47,647
Total			

See accompanying Independent Auditor's Report.

Schedule 2

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
60,000	-	60,000	-	2,100	-
1,985,000	-	1,985,000	-	80,681	-
590,000	-	100,000	490,000	20,813	-
335,000	-	210,000	125,000	11,725	-
1,165,000	-	200,000	965,000	43,650	-
2,400,000	-	250,000	2,150,000	69,250	-
32,700	3,212,300	345,000	2,900,000	68,250	-
-	1,500,000	-	1,500,000	-	-
<u>6,567,700</u>	<u>4,712,300</u>	<u>3,150,000</u>	<u>8,130,000</u>	<u>296,469</u>	<u>-</u>
798,000	-	47,000	751,000	23,940	-
927,898	-	411	927,487	36,709	-
27,700	-	344	27,356	804	-
<u>1,753,598</u>	<u>-</u>	<u>47,755</u>	<u>1,705,843</u>	<u>61,453</u>	<u>-</u>
1,100,000	-	1,100,000	-	46,520	-
28,660	-	9,048	19,612	1,573	-
<u>1,128,660</u>	<u>-</u>	<u>1,109,048</u>	<u>19,612</u>	<u>48,093</u>	<u>-</u>

City of Williamsburg
Bond and Note Maturities
June 30, 2012

Year Ending June 30,	Corporate Purpose Capital Projects		Corporate Purpose Street, Water, & Sewer series 09A		General Obligation Corporate Purpose Street, Water, & Sewer series 09B	
	Issued Apr 1, 2008		Issued Apr 1, 2009		Issued Apr 1, 2009	
	Interest		Interest		Interest	
	Rates	Amount	Rates	Amount	Rates	Amount
2013	3.25	135,000	3.50	125,000	3.50	240,000
2014	3.40	105,000	-	-	3.50	200,000
2015	3.65	110,000	-	-	4.00	100,000
2016	4.10	-	-	-	4.00	100,000
2017	4.10	-	-	-	4.00	100,000
2018	4.10	-	-	-	4.00	100,000
2019	4.10	140,000	-	-	4.20	125,000
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2027	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
Total		<u>\$ 490,000</u>		<u>\$ 125,000</u>		<u>\$ 965,000</u>

See accompanying Independent Auditor's Report.

Schedule 3

Bonds						
Urban Renewal Bonds - Library		Refunding Bond, series 2011		Corporate Purpose		Total
Issued Apr 1, 2010		Issued July 1, 2011		Issued June 11, 2012		
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
2.25	250,000	2.00	325,000	0.00	-	1,075,000
2.25	200,000	2.00	320,000	0.45	545,000	1,370,000
2.50	200,000	2.00	315,000	1.00	45,000	770,000
2.75	200,000	2.10	310,000	1.00	45,000	655,000
2.75	200,000	2.10	265,000	1.00	45,000	610,000
3.25	200,000	2.15	100,000	1.35	50,000	450,000
3.25	200,000	2.40	100,000	1.35	50,000	615,000
3.50	700,000	2.60	100,000	1.80	50,000	850,000
-	-	2.80	100,000	1.80	50,000	150,000
-	-	3.50	180,000	2.25	50,000	230,000
-	-	3.50	190,000	2.25	50,000	240,000
-	-	3.50	195,000	2.50	50,000	245,000
-	-	3.50	200,000	2.50	55,000	255,000
-	-	3.50	200,000	2.85	55,000	255,000
-	-	-	-	2.85	55,000	55,000
-	-	-	-	3.00	55,000	55,000
-	-	-	-	3.00	60,000	60,000
-	-	-	-	3.45	60,000	60,000
-	-	-	-	3.45	65,000	65,000
-	-	-	-	3.45	65,000	65,000
<u>\$ 2,150,000</u>		<u>\$ 2,900,000</u>		<u>\$ 1,500,000</u>		<u>\$ 8,130,000</u>

City of Williamsburg

City of Williamsburg
Bond and Note Maturities

June 30, 2012

Revenue Bonds							
Year ending June 30,	Sewer Revenue Bonds		USDA Child Care Facility Ent Rev Note 1		USDA Child Care Facility Ent Rev Note 2		Total
	Issued Jun 13, 2005		Issued July 1, 2010		Issued July 1, 2010		
	Inter est Rates	Am ount	Inter est Rates	Am ount	Inter est Rates	Am ount	
2013	3.00	48,000	4.00	10,788	4.00	693	59,481
2014	3.00	49,000	4.00	11,220	4.00	721	60,941
2015	3.00	51,000	4.00	11,669	4.00	751	63,420
2016	3.00	52,000	4.00	12,136	4.00	781	64,917
2017	3.00	54,000	4.00	12,621	4.00	813	67,434
2018	3.00	56,000	4.00	13,126	4.00	846	69,972
2019	3.00	57,000	4.00	13,651	4.00	881	71,532
2020	3.00	59,000	4.00	14,197	4.00	917	74,114
2021	3.00	61,000	4.00	14,765	4.00	954	76,719
2022	3.00	63,000	4.00	15,355	4.00	993	79,348
2023	3.00	65,000	4.00	15,970	4.00	1,034	82,004
2024	3.00	67,000	4.00	16,608	4.00	1,076	84,684
2025	3.00	69,000	4.00	17,273	4.00	1,119	87,392
2026			4.00	17,964	4.00	1,165	19,129
2027			4.00	18,682	4.00	1,213	19,895
2028			4.00	19,429	4.00	1,262	20,691
2029			4.00	20,207	4.00	1,313	21,520
2030			4.00	21,015	4.00	1,367	22,382
2031			4.00	21,855	4.00	1,423	23,278
2032			4.00	22,730	4.00	1,480	24,210
2033			4.00	23,639	4.00	1,541	25,180
2034			4.00	24,584	4.00	1,604	26,188
2035			4.00	25,568	4.00	1,669	27,237
2036			4.00	26,590	4.00	1,740	28,330
2037			4.00	27,654			27,654
2038			4.00	28,760			28,760
2039			4.00	29,911			29,911
2040			4.00	31,107			31,107
2041			4.00	32,351			32,351
2042			4.00	33,645			33,645
2043			4.00	34,991			34,991
2044			4.00	36,391			36,391
2045			4.00	37,847			37,847
2046			4.00	39,360			39,360
2047			4.00	40,935			40,935
2048			4.00	42,572			42,572
2049			4.00	44,275			44,275
2050			4.00	46,046			46,046
Total		\$ 751,000		\$ 927,487		\$ 27,356	\$ 1,705,843

See accompanying Independent Auditor's Report.

City of Williamsburg

Schedule of Receipts By Source and Disbursements By Function -
All Governmental Funds

For the Last Nine Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Receipts:				
Property tax	\$ 840,334	\$ 840,637	\$ 920,013	\$ 787,373
Tax increment financing	1,922,728	1,922,005	1,745,232	1,631,084
Other city tax	608,616	460,232	408,555	423,988
Licenses and permits	13,679	11,097	19,174	185,011
Use of money and property	105,801	132,757	161,152	5,590
Intergovernmental	471,044	736,767	685,869	489,155
Charges for service	212,070	208,184	193,888	206,977
Special assessments	-	-	648	964
Miscellaneous	128,272	391,294	174,680	149,177
Total	<u>\$ 4,302,544</u>	<u>\$ 4,702,973</u>	<u>\$ 4,309,211</u>	<u>\$ 3,879,319</u>
Disbursements:				
Operating:				
Public safety	\$ 642,713	\$ 619,806	\$ 616,863	\$ 597,270
Public works	348,373	560,959	363,839	395,385
Health and social services	1,200	1,200	1,200	1,200
Culture and recreation	729,557	680,291	726,768	717,422
Community and economic development	18,312	118,502	117,399	107,631
General government	177,746	176,070	191,063	203,736
Debt service	4,597,964	1,555,153	1,405,313	2,938,235
Capital projects	1,469,021	3,311,959	1,369,740	3,009,992
Total	<u>\$ 7,984,886</u>	<u>\$ 7,023,940</u>	<u>\$ 4,792,185</u>	<u>\$ 7,970,871</u>

See accompanying Independent Auditor's Report.

Schedule 4

	2008	2007	2006	2005	2004
\$	593,123	944,096	526,093	488,445	562,707
	1,563,029	1,500,055	1,469,800	1,209,469	1,064,489
	446,083	419,263	347,347	405,485	369,752
	327,267	253,153	258,356	103,249	130,146
	8,787	6,247	24,916	11,806	9,662
	313,959	260,262	310,225	237,257	247,295
	239,226	242,471	194,269	297,499	240,016
	948	1,004	1,113	10,244	28,230
	563,337	868,333	158,791	243,063	96,540
\$	<u>4,055,759</u>	<u>4,494,884</u>	<u>3,290,910</u>	<u>3,006,517</u>	<u>2,748,837</u>
\$	557,288	569,356	509,101	422,794	373,751
	393,721	374,606	400,671	444,297	348,133
	1,200	1,200	1,000	900	900
	1,242,755	1,837,607	791,147	624,977	694,955
	93,870	217,725	221,911	117,097	157,006
	173,863	166,960	146,756	152,526	138,087
	1,350,466	1,338,712	1,110,648	836,970	583,085
	343,686	1,919,561	2,384,546	1,623,061	302,504
\$	<u>4,156,849</u>	<u>6,425,727</u>	<u>5,565,780</u>	<u>4,222,622</u>	<u>2,598,421</u>

City of Williamsburg

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated November 14, 2012. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

The management of the City of Williamsburg is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Williamsburg's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Williamsburg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Williamsburg's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of City of Williamsburg's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings as item II-A-12 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings as item II-B-12 to be a significant deficiency.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City of Williamsburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Williamsburg's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City of Williamsburg's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Williamsburg and other parties to whom the City of Williamsburg may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Williamsburg during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Lou Ann Murphy & Company, P. L. L. C.
Certified Public Accountants
Osage, Iowa
November 14, 2012

City of Williamsburg
Schedule of Findings
Year ended June 30, 2012

Part I: Summary of the Independent Auditor's Results:

- (a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the basic financial statements.

City of Williamsburg

Schedule of Findings

Year ended June 30, 2012

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- II-A-12 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that each of the office personnel has control over several incompatible office and accounting functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

- II-B-12 Water Loss: - Water usage reports calculated by the utility clerk indicate a fluctuation water loss problem. Review of water usage reports from 2011 reveal that the City lost an average of approximately 4,000,000 gallons of water per month during the last six months of the year.

Recommendation: Since water loss can occur because of leaks and/or unmetered usage, continuing efforts should be made to investigate why the City is experiencing substantial water loss.

Response: We will continue to investigate the water loss.

Conclusion: Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

City of Williamsburg
Schedule of Findings
Year ended June 30, 2012

Part III: Other Findings Related to Statutory Reporting:

III-A-12 Certified Budget – Disbursements for the year ended June 30, 2012 exceeded the amount budgeted in debt service. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The budget will be amended in the future, if applicable.

Conclusion – Response accepted.

III-B-12 Questionable Disbursements – No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

III-C-12 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

III-D-12 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Martin Bunge, Council Member Martin Bunge Photography	Website updates	\$1,097

In accordance with Chapter 362.5(11) of the Code of Iowa, the transactions with the above individual do not appear to represent a conflict of interest since total transactions with the individual was less than \$1,500 during the fiscal year.

III-E-12 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

III-F-12 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

III-G-12 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City’s investment policy was noted.

III-H-12 Revenue Notes – The child care facility reserve balance is not in compliance with the minimum balance requirement of the child care facility revenue note resolution.

Recommendation – The City should make sufficient transfers to the child care facility reserve account to maintain the minimum balance requirements of the note resolution.

Response – The City will make sure adequate reserve balances are in compliance with the note resolution.

Conclusion – Response accepted.